App. F. IX-4

File No. 2-25

Previous References

A & E 1874-23 (1-4)

Seri Pcrvers

Serial Nos. 1-6 & 8 to 15

Later References

P-84(E)

General and Revenue Secretariat.

Serial Nos. Nil

Part B for January 27

SUBJECT

Sale of filature silk.

For final orders on the subject

Please see I.C 2030-1/seri 53-25-1148.

25.9.26

G. R. S. III—1]

GENERAL AND REVENUE SECRETARIAT.

~~P. & C.~~ (Seri.)

NOTES.

FILE HEADING.

Sale of Filature Silk.

From

The Directors of Agriculture.

No. Roc. 14-A. Dated 8. 7. 25. Rece

Diary No. 231	Enclos. / Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

Forwards copy of letter no. 3 of 1.7.25 from Supdt. of Sericulture reporting on the results of the action taken for the Sale of the filature Silk and states he agrees with the Supdt's views about the necessity Sanctioning his proposals about personal investi of the Northern markets for o

NOTES AND ORDERS.

Class C + D. file of N.

In view of the opinion furnished by the Dr in his D.O. note dated the 4th March 1925 pages 14 and 18 of file A+G. 86-24(1-4) and the D minute in para 47 of file A+G. 170-24(167), question of the deputation to Northern India

Serial No

Flag P.

Superintendent of Sericulture or any other Departmental officers has been ordered to be deferred in G.O. No. P.C. 7366-69 of 3. If the correspondence and Newspaper advertisement for effecting the Sale of Silk refd to in the above G.O. are not an adequate substitute for personal touch and influence as reported by the Sericulture Supdt, the Suggestions of the Dte of D. referred to in para 7 of file A&E. 463-24-1 the member in this behalf may perhaps be considered.

Flag Q.

2) Subtd for orders.

14.7.25

3) The question of disposing of accumulated stock of silk in the filature, and of finding a market for its further output, has not been solved

4) Govt, in their Order No. P. 30. suggested certain measures for disposing the old stock and directed that the question of the deputation of the Sericulture Superintendent, N. India, for finding a market for silk may be deferred for the time being. Sericulture Supdt reports that he adopted measures suggested, but that there was no response.

5) In the meanwhile, in addition the stock of silk which the filature at the disposal of the Sri. K Raja

WD 2119—GPB—10.000—27-4-25

Serial No.

and reels to the value of Rs 10,000/— then is the daily output of the filature. Relatively to the accumulation of stock, the working capital available, becomes less and less; and the Dept. continues to ask for temporary advances to meet emergent expenditure e.g. the purchase of cocoons.

b) The transfer of the filature to the Dept. of I+C. may not perhaps solve the difficulty of finding a market for the filature silk. The quality of the cocoons reared and the success of breeding new forms of cocoons can only be judged by the fineness, durability and other qualities of the silk that is reeled. If the rearing silkworms are not up to standard, their rearing operations have to be correspondingly modified. In this view, perhaps, a small filature is a necessary adjunct to the rearing operations conducted by the Sericulture Dept. The Superintendent has another connection; has designed "a domestic basin" for reeling, which, it would seem, according to him, practically fill the purposes of the filature. After this is done, the filature may with advantage, be transferred to the Dept of I+C.

7) The point for consideration now, is whether the retention of an officer to V. India for purpose of finding a market is necessary,

FILE HEADING.

Sale of Filature Silk.

From

The Director of Agriculture.

No. Roc. 14 - A. Dated 8. 7. 25. Received 11. 7. 25

Diary No. 231	Enclos. / Spare Copies.	Serial No. /

BRIEF ABSTRACT OF LETTER.

Forwards copy of letter No. 3 of 1.7.25 from the Supdt. of Sericulture reporting on the results of the action taken for the Sale of the filature Silk and states that he agrees with the Supdt's views about the necessity for sanctioning his proposals about personal investigation of the Northern markets for ours

NOTES AND ORDERS.

of the Dr of C+D.

Dr of N.

In view of the opinion furnished by the Dr of A in his D.O. note dated the 4th March 1925 in pages 14 and 18 of file A+C. 86-24(1-4) and the Dewan minute in para 47 of file A+C. 170-24(167), the question of the deputation to Northern India of Mr

a what further measures should be adopted
towards that end.

8) Subs for Annual Orders —
Rev Subs

9) The printing of the Relation is
getting to be difficult as the
Concern is producing funds which
can not be easily sold. It appears
to be necessary to Consider the
question whether or not a depr
division should be made. Kind of type is used
in the Members minute 97.9
Ors regard the disposal of the acc
cumulated stock in the Relation
The Dir of P & C's suggestions
referred to in Pay 9 are
accepted & Supt may be call
upon to send modified prop
to deputise one of the Senior
of the Dept to a post in
Field recording Centres in Rural
India with samples & Plans
showing size & many means ex
hibits methods used — The q
of investigating the demand for
working sick is not a pressing
question

II 1917

Serial No.

10) Mr D'Silva is ~~purchase~~ selling
Sieve at 12 Rs, while the
Platine Sieve costs 1 or 20 Rs.
It is Advisable that the Platine
Sieve cease producing, except for
pure Experiment.

11) Mr D'Souza will
perhaps take over the
Sieve for his bearing factory
only at present price.
The difference between present
price & cost will have to be
written off;
& the Director
asked to cease producing
except for purely Experimental
work; & to submit
proposals for selling the
machinery, ~~Data~~ not of only
a domestic basin or two,
or having a much smaller
power machine purely
for Experiment, & not to
no idea of selling.
Please submit to Director.

Lee
16/7. 1967.

Dewan

12) Mr D'Souza may be advised
Consulted

13) Mr Perera

14) Mr Pearson
Lee
16/7
1967

E
17/7
1967

MB 18/7

9 a

Serial No.

rwarded unofficially with
iments to the Director of Industries
Commerce for favour of opinion.

W 1

W 7 9 25-26

Q 2-1-7-25

By Order,

Wijayanaike

Secretary
Government

Serial No.

) Forwarded unofficially with
nplements ~~to the~~ Director of Industries 108 7 4 25-26
d Commerce for favour of opinion. 9-1-7-4

By Order

Wijayanayagam

Revenue Secretary

E File No. 2 of 19 25 General and Revenue Secretariat.

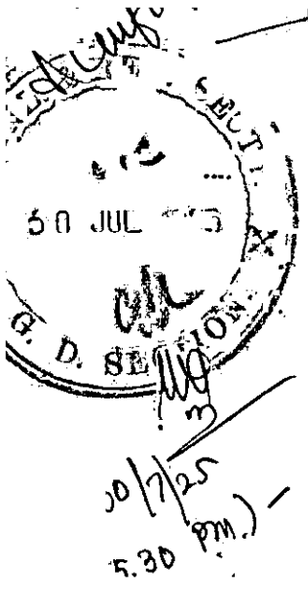
Serial No. 1117

16) Forwarded unofficially with compliments to the Director of Industries and Commerce for favour of opinion. WOM 7 q 25-1 Q 2-1-7

By Order

Wijayaratnam

Private Secretary to Government

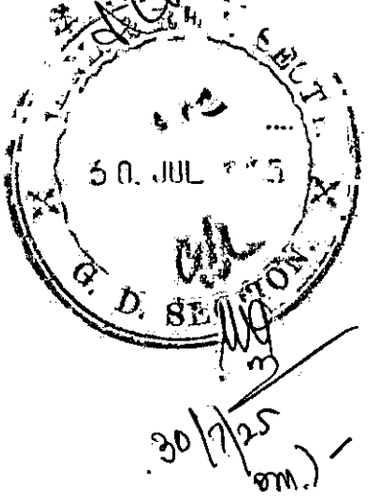


30.7.25

17) The file contains no information as to the exact quantities of silk of different deniers held in stock by the Mysore Silk Filature. I understand that the bulk of the filature silk at present in Mysore is 13/15 denier. There is no demand for this type of silk anywhere to the South of Benares as it is too fine for the class of fabrics that are manufac-tured in these latter places. It is not therefore possible to use this silk in the Weaving Factory or introduce it among the local weavers. If the - - Mysore silk Filature manufactures 28/30 denier silk and can supply it at Rs 11/8 or Rs 12/- a lb, it can then be utilised fully locally. As observed by the Second Member it is sold at this rate by Mr. F. L. Silva.

18) The bulk of the 13/15 denier silk now used in Benares mainly comes from Kashmir. The price of 13/15 denier Kashmir Silk in March was Rs 16/8 and in June the price fell to Rs 14/8 and it has since dropped to Rs 14/- a lb. The present American price of silk is about 6¼ Dollars per lb which at the current rate of exchange works out to about Rs 17/- and 14/- per lb locally, therefore ~~it~~ is as good as the foreign prices, if we make allowance for commission, freight and other charges. The Kashmir Silk is reported to be harder than ours and the Benares Weavers do not take readily to Mysore Silk which gives better results only after it is twisted. We must, therefore be - prepared to sell it a rupee cheaper than Kashmir Silk if we want to dispose it off as raw silk. There should be no difficulty to arrange for the sale of the Filature Silk in the Benares market at these

05207



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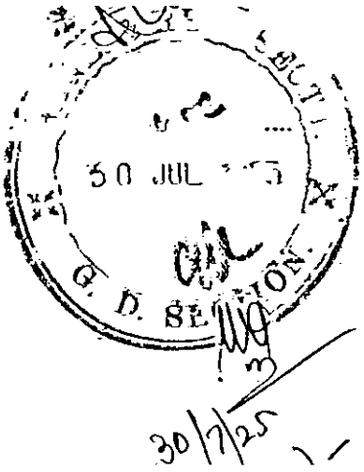
05207

U.O.G. 81.C.
30.7.25



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these prices, i.e.,about Rs 13/- per lb. There is no prospect whatever of the Superintendent of Sericulture being able to get better prices even if he personally visits these markets.

19) I would however strongly deprecate Government allowing any large quantities of silk being dumped into the Northern Indian markets as it will practically destroy any chance of our getting a footing in these markets later on and such a step will be very unfair to private persons already engaged in the industry and supplying these markets. For, once outside purchasers gain an impression that large stocks are held by Government, price cutting will be forced much farther. The only chance for Government to minimize the losses in this silk is to convert it into organzine for which special machinery is required. The Bangalore Silk Filature is arranging to import this machinery, having already got into the Benares market with Organzine made on machines manufactured in the Government Weaving Factory. This concern now gets Rs 21/- to Rs 22/- per lb of Organzine as against Rs 14/- for raw silk. They are handicapped for want of capital. If a loan is given to them to get an addi-tional unit, I believe, they will be prepared to take over the Filature silk at a valuation. In case Govern-ment are not prepared to enter into any such arrange-ment it seems desirable to ascertain what prices this silk can get in Europe and in spite of the Exchange if the Filature silk can get about Rs 13/- per lb, send at least half to Europe and sell the rest here and stop further manufacture of 13/15 deniers.

G.R.S. III-2)

WD 2119—GPB—10.000—27-4-25

A & E. File No. 2 of 1925

General and Revenue Secretariat.

Serial No.

[illegible]

Serial No

The AG sent to the Govt Sec[2] for records in the letter to Dir of Ind. AG not yet been rec'd. ... appears it has been detached with the separated ...

27 Subtd with a draft as instructed in para 28 Fresh Opn for appl — Rec'd 31/8/25 29 Appln ... 31-8-25

2) To Director of Agriculture No. 690 G.S./87/25 — Requests that immediate instructions may be given to the Govt. Supdt. to dispose of the flowers & cocoons of Stock purchased same except for purposes of ~~experiments~~ experiments

~~Requests that the Director of Agriculture may be asked to state whether he has been able to dispose of the large quantity of flowers and cocoons~~

Sent to file 20/8/25

~~Requests~~

Letter No. Agri 2149 13-8-1925 from the Dir: Agriculture

Submits his report regarding that the Station may not be closed down

A&E File No. 2 of 1925

Serial No 31

Confl

(1) Please submit this with the file of Council Resolution to Sudan.

(2) Meantime please write separately to Director of Surv complete details of how he arrives at 15/6 as Cost of production, what portion of pay of supervising staff it includes & whole class including Arms also particulars of depn charges, on what rates (b) to refer the actual price at present rate of exchange at wh. the silver was sold, and (c) to refer whether all the objects he enunciates can not be met at a much lower rate of production & Cost of labour.

(3) The Council resolution was, I believe, to observe down of Cost of prodn can not be made less than market rate of finished article of it can, there need be no hurry about Council.

WD 2119—GPB—10.000—27-4-25

Serial No.

the Silk Filature, with the Council Resolution
reference to the Para 3 of the letter
minute of the Secretary has been
put in accordance, submitted to the Dewan
and it has not yet been received
back.

Please send it

Calls for further information on
the following points :—

Details of the Rs 1578/- stated as
cost of erection in
proportion of pay of supervising officers
included in cost of erection
actual price at which rice was
sold in France etc.

36 Submit after issue - Refer paras 31 and 35.
16.21.8.25. The file required by the Secretary
to be sent to the Dewan in Para 31 (1) above
has not yet been received from by the Dewan it is learnt that
it was submitted by the Secretary to the
Dewan; in another connection —

Per Dr 7 II ... member) Please submit the
file to Division for ...

NOTE—Contn. Sheet

eneral and Revenue Secretariat | Seri File No. of 192 5

Serial No

39 Dewan). Repe. 2nd numbers onwards
P.W.D. L
25/8/25

40 If the Tahsildar can have sold at a cost less than the price the is no profit loss / gross.
The D.A. might informed accordingly
L

41 Subt for perusal of the Dewan's views — L. 8-L
WD 27/8

Secretary

42 Perhaps Dis that the order of Govt was to sell stock prod if the cost price is not less than market price, under which rules an urgent reply to no 1212 is regd; & that meantime of Dis is satisfied that Cost is really less there is no need to stop prod

Immediate
WD 28/8

DE
28/8. L

General and Revenue Secretariat.

File No. of 19 25

Serial No

43 Draft Sanct.
Ltr 28.8.25.

Rev Sec. 28/8

44 Issue above

29/8

Ld. 31.8.25

45) To

Director of Agriculture

M. 1519 G. 31/8/25.

States that an urgent ref to this office letter G. 2078/25 is awaited & that in the meantime Director of Silk can go on if he (Director) is personally satisfied that the cost is less than Rs 1-15-0 per lb.

See 1/8.9.25.

GEN. & REV. SECRETARIAT
2 SEP 1925
INDUSTRIES & COMMERCE BRANCH

6 From the Director of Agriculture
Letter no. 8105. 214 G. 10.9.25.

Remind as to Ltr no. 1512 13/25.

Forwards enclosures from the Sericultural Superintendent letter G. 28.8.1925 explaining the basis on which he arrived the cost of production of Silk @ Rs. 1-15-0 per lb.

45 Submitted for orders with reference to Members orders at para 31 page 13.

46 The percentage superintending charges is only 7.2% of the cost of production which does not include Interest, Depreciation and lighting charges.

47 Excluding the transport Commission charges, the price quoted in France is only Rs. 1-17-0/— 1/- or Rs. 1-16-0 c & f at Marseilles ports or charges.

4- The margin of difference between the Cost-price and the sale price ~~appears to be very small~~ in the ~~case~~ light of per ~~th~~. excluding ~~the expenditure of this~~ opinion, subject for orders.

16.12.9.25. 49

Rev Dept

50 2nd member) Dewan.

25.73 15/9

Dyuth

12/9/25

14.9.

51 I shall be glad to have his opinion whether the figures for Cost of production may be accepted as correct, what additions should be made for depreciation & interest, & whether suspension charges have been adequately provided for. (Please note that for this purpose the necessary details may be required)

C/W 14/9

52 The information with details for the cost of production are given in the copy of the Supdt's letter. (Flag B.)

16/9/25

53 Subject for favour of remarks.

H Sec 54 A, B and D. I cannot express any opinion on these points.

16/9/25

8. SEP. 1925 H 665 25

SECRETARIAT

55 C. May be taken at 7/-c.

Jeri - File No. 2

57 Submitted
27.9.25
57 for general discussion (11 am minute above) -
Rec'd 27
2nd meeting -

58 Please consider Mr D'Souza re A B. & D.

(Chief Secretary) 28/9

59 I shall be obliged if a few balance sheets & other current and audit reports are put up - It is necessary to examine whether the depreciation funds are being maintained & whether any profit is realised & other charges for depreciation should be raised 7½ p.c for machinery & 3 p.c for buildings are allowed & 10 p.c on the machinery is admitted & not fixed whether the building has no saleable value except in respect of materials - The usual charge is 7½ p.c for machinery + 3 p.c for buildings

6 Sent with file No 46-24 (85: 1-3, 9) and 85: 6, 11-

Serial No

for the half year ends 31st Dec 1923 & on 30th June '24. (Ref A) at Para 59).

Ch. Sec.)

MET 7/10

63 I have recently examined the figures of th Bangalore Silk Filature in regard to their pres cost of production. I find that the cost per l silk comes to Rs.14/8 per lb. for the finer den and Rs.13/8 per lb. for 28/30 and coarser denie These rates include also interest on capital at per cent and depreciation on machinery at 5 per The Proprietor of course does not add in calcul the cost anything for his own personal remunera His figures do not take into account the waste, is about 65 per cent of the quantity of silk re It will thus be seen that the figures in a priv concern are far more favourable. Thus by fixin cost of production at Rs.16/12 for the finer de in the Mysore Government Silk Filature without ing anything for interest and depreciation, a ver high margin is allowed. As I have repeatedly p out there is no hope for the industry unless th filatures can manufacture silk for the local ma at prices more or less corresponding to these taining in India and the rate now suggested is above the limit. Depreciation on machinery be calculated at least at 5 per cent of and 2½ per cent on buildings and interes cent.

my remarks as in reference Secretary the Govt. 24/1.

Serial No

markets, for what with fluctuations in exchange, commissions and other charges, experinece shows th on the whole the net result is not more advantageo than if the silk had been sold in India. If the object of Government is to fix the cost so that th business can be carried on without loss I am sure if the cost is likely to be as high as that now st even without allowing for depreciation and interes and the other adventitious advantages the concern enjoys due to the help it receives, the whole Depa ment being a Government concern, there is no likel hood of its being worked at profit and the Superin tendent of Sericulture should devise means to brin down the cost of production lower.

Rec'd Secy
to enclosure
2nd number 65

A
1/11/25

Please draft
accdl & add that
unless Cost can be
reduced, [illegible] the Ord
proposal, have also
taken up &
Suspension effected this done
Secy
4/11/25 L
5/11

66 draft Subd.
6-11-25.

67
Dft for appl'n allowed
7/4/25

Show
Chief Secy
Secy
2nd number 4

General and Revenue Secretariat

Seri - File No. 2

App. F. III of 1925.

Serial No

69. I have taken the liberty of putting up an alternative draft

4625. 18/11

Secretary

with compliments

2nd number

70 I agree to Chief Secy's draft. Please issue

ECRETARY'S OFFICE. Dated 19. NOV. 1925 Reg. No. 3705

after Subn to Dewan

19/11/25

71 Secy

19/11

21/11

72 Issue

21.11.25

8. 3498/ 21st Nov. 1925.

The Director of Agri.

Requests him to furnish information re: actually realised per lb by the sale of the last consignment of silk to France etc and calls for views re: proposal to close the Filatures etc (enumerated in letter No. Sc. 631/Seri 7-25 of 30-7-25.

73 No reply has yet been received from the Director of Agri; he was reminded yesterday; the question of closing down the filatures remains to be decided yet.

Secy B 5.12.25

SECRETARIAT & REV. SECRETARIAT 23 NOV 1925 INDUSTRIES & COMMERCE BRANCH.

To be reminded on 10.12.25

1.12.25

NOTE—Communications

G.R.S. III—3]

Routine Notes.

[To be used only for notes requisitions, etc., not intended for permanent record.]

D.O. letter of 4.3.26 from the Secret. of Ser.

Subd for perusal.

The formal recei
of the explanation thro the D.
will be awaited, for two days m
Subd for orders if recd or remin
issued if not recd

Hon'ble Member. 6/4

6/4

Please wait till 3 p.m. tomo
N. Report not recd, recipients remind
D. Hqrs.

6/4.

6/4

Due reports has now ar
recd; Reminder issued
vide D.T. 7-4-26.

DEWAN'S ORDERS IN FILE NO. 3 of 1925-26.

(60) The Government Silk Filature at Mysore started wor in February 1922. In September 1923, there was an offer fro Mr.V. Ramalingam to buy the Filature which was refused. For the first three half years of working, the concern worked at loss, while for the next three half years, i.e., up to Decembe 1924, there was a profit. But up to December 1924, there wa a net loss of more than Rs.5,000/-. The concern began to lo again from September 1924, the reason being that until that t there was an arrangement with a local Agent who was bound to take all the put-put of the factory at a fixed price. But h arrangement ceased in September 1924 and the prices of Silk began to fall abnormally. The stock of filature silk in the factory began to accumulate.

(2) On 11th November 1924, the Superintendent brought to the notice of Government on general grounds the advisability of developing the Northern Indian Market in preference to the fluctuating and distant foreign markets, like France etc., H proposed that he should be allowed to go on deputation to Nor thern India and study the market conditions there and the cha of developing that market. The proposal, however, did not m with the approval of Government who asked him to defer the - question and try to clear the accumulated stock of silk by ad vertising in the papers and distributing samples, etc. This order is dated 30th April 1925 and is mainly based on the - Dewan's minute differing from that of the then First Member o Council, who was in favour of the deputation.

(3) In the meantime, the Superintendent reported early in January 1925 that the Krishnarajendra Mills were willing to take the whole output of the factory for a period of three months from 9th November at the rate of Rs.19½ per pound of

silk of 13/15 denier. This proposal was also sanctioned inGovernment Order of 30th April referred to above.

(4) In July 1925, the Superintendent, in reporting the action taken by him in accordance with this Government Order, said that the measures adopted had proved ineffectual and pressed his former proposal of his deputation to Norther India for studying the market. The whole question was then brought up before the Council and it was resolved on 23rd Ju 1925 that further production of filature silk may be stopped the existing stock being given to the Director of Industries and Commerce for sale at the best available rates and that p posals may be invited for the sale of the plant. The file was informally submitted to His Highness for approval of act taken. The Superintendent was asked also to sell his stock of cocoons except such as were required for experimental purpos In reply to this letter, the Director of Agriculture replied that the cost price of silk was less than the market price and that he had an offer from France for 12 bales of silk at a rate approximating to Rs.19-8-0. Government asked him to close with the offer in August 1925. In November he was asked as to the progress of the sales with the Frecnh firm. The reply was that 10 bales had already reached France and three more were on their way. There was no information fro France as to the sales effected and the prices realised. The stock on hand was 493 lbs., of various deniers for which market had to be found in India when conditions improve. W have no information yet as to what the results of sales in France have been. It is not clear why the sales were not concluded forthwith on a firm's offer. The explanation of the Superintendent on the state of affairs disclosed, the wa of proper business methods and omission to report all facts together should be obtained in a week.

(5) The Comptroller should be asked to depute an Audito forthwith to audit the accounts as to profit and loss till December 1925, immediately.

Intd. A.R.B.

Seri File No. 2

rial
No

13 Letter no Roc. 214 Dt. 3 & 7th April from the Director of Agriculture Submitting a report regarding the Cost of production of Silk, Sale of Silk in France, cleaning filature, &c

76 The Director of Agriculture was asked to report

(i) Whether the price of Silk as Sold at France amounts Rs. 16-8-0 per lb as anticipated by the Supdt of Seri.

(ii) Why the Cost of production at the Govt. filature should be so high as Compared with the Cost in a private Concern like the Bangal Silk filature where it is Comparatively known one after allowing 8% interest and 5% for depreciation on machinery, and

(iii) Why the filature should be closed down unless the Cost of production Cannot be Substantially reduced

77. As regards (i), it is stated that the Silk at France has not yet been sold, and that it is not likely to fetch more than

Seri File No. of 192 5

Serial No

Rs. 13-4-0 per lb - The Dir. recommends that the Stuff be sold at the current rate. The Director has since been addressed to effect the sale of all the Silk aforesaid immediately, even by lower the prices if necessary.

(iii) As regards (ii), the Direct report is silent.

With regard to (iii), the Director does not say anything whether the Filature should be Continued or not and merely says that the average Rs. 5'0'0/- asked for by the Export among the Samples.

Govt. agree to the Continuance of the Filature. The latest report from the Coop of Mysore has the reduced to Rs. 12-8-0 per during February 26 - but this is only with reference Coarse Silk.

To The report of the Supdt of Seri. on the affairs of the Filature is also pending but before - It has not been forwarded: the Dir. of

Dr. D. C. 7 D35
Seri 62-25-4
10.4.1926

D. 4569
Seri. 62-25-1

Dr. D-197

Note—Contn. Sheet

14.1.26

Serial No

79 Strenuous efforts have been made by the Supdt of Seri, to reduce the cost of production - Only the coarser kinds of silk - 28/30, 11/13, 45/55 sizes - are now being reeled at the filature - The import of artificial silk and its competition with the natural silk, are factors which have to be taken into consideration, in connection with the question of a market for silk - : this disability in common to the marketing of all natural silk -

80 In view of the above fact and of the fact that part of the working advance may be expected to become available i) by the sale of the silk in stock (even at lower rates) ii) by realising Mr Devji Rao's dues + iii) by arriving at a satisfactory understanding with the Krishna Rajendra Mills, a temporary advance of Rs 5000/- (or some smaller sum, if so considered), may perhaps be sanctioned, on the distinct understanding that it should be adjusted, along with the previous temporary advance of Rs 10,000/- before the end of the current official year -

81 Whether the Silk filature is a necessary adjunct of the Seri. Dept has not been touched upon : the Dir of Agri + the Supdt of Seri think it is - It may be said that the crucial ~~test~~ criterion in conducting breeding operations, is with reference to the finished raw product - viz, silk - As such, a filature seems necessary equipment of the Seri. Dept -

Subt for perusal please -

Seri Agri

WP 14/4

82 When the Director applied for a temporary advance of Rs. 5000 to run the Filature, it was ordered that pending the receipt of the details called for from the Director, an addl. grant, even though temporary should not be given. The details have now been furnished.

83 The Dir's letter is not altogether reassuring especially the concluding portion of it. But yet in view of the fact that attempts are being made to reduce production charges & there is a likelihood of a sale of the silk results from and also of the silk lying at the filature just now, a temporary advance of Rs. 5000 may be sanctioned.

84 The position of the filature during the next two months may be watched and the question of finally closing it down or of continuing it may be taken up and decided by the middle of June next.

The Hon'ble Member.

Rig
15/4
WG
15/4

85 There are two questions for consideration, v
(i) the future policy in regard to the filature, an
(ii) the present request for an additional working
capital of Rs.5,000.

86 The material for settling question No.(i) ha
not been fully furnished by the Department. It is
stated that the cost of production has been much re
duced and that the present cost is within the reali
sable market prices. This is the report of the De-
partment. We have to wait for the report of the s

Serial No.

special audit ordered by the Dewan to see if the reduc tion in the cost of production stated to have been effected is correct and if all the items have been included in the calculation of such cost.

87 All the points raised in the Dewan's minute dated the 17th March 1926 have not been answered. The Superintendent's letter dated 2nd April 1926 which has been addressed to the Director and of which a copy has been submitted to Government is couched in a complaining tone, suggesting that he has not been allowed sufficient freedom to work the concern in a successful way. The Director has not yet submitted this repo Government and it is not known what view he will t about the statements made by the Superintendent.

88 Altogether, there is not enough material now before Government to decide the future of the filatu

89 The Director may be asked to furnish at once information on all the points yet awaiting reply, an then the question of the future policy in regard to this concern may be considered.

90 What should be done in the meantime, is the next point to be considered. The sale of silk now lying in Paris, by lowering prices has been authorise Attempts are being made to recover the amount due by the Krishnarajendra Mills. When even a portion of these amounts is realised, the concern may be kept going, pending the decision of the question as to whether it should be closed or continued to be work for sometime longer and if so, on what conditions. Until the larger question is settled, it is desirabl not to suspend work. As the filature will have it.

General and Revenue Secretariat

Serial No.

working capital released by the sale of its silk in Paris, its present need for additional working capital may be considered as temporary. I think that in the circumstances an additional advance of Rs.3,000, instead of Rs.5,000 applied for may be sanctioned.

DEWAN)

92 Letter. Please ... (7.4.26
see Mark. remarks
18/4
19/4

93
A. Pl. mark the Dir's letter which I sent to, give all the details. Please put it up.
B. Draft sanct. Rs. 3000 advance
22/4

94. Draft sanctioning an advance of Rs. 3000/- is submitted for consideration.

95. The Director's report on the explanation of the Secl. Inspr. about his affairs of the Petitioner is submitted for perusal and orders with reference to para 7 of (pages 22-23 of the notes.
28.4.26

Secl Asst) 95 22/4

96 Work up with P/c
to the file of the Petitioner

97 Draft submitted for perusal please
Secretary) 23/4/26 23/4 26/4

EWAN'S OFFICE
RECD 19. APR. 1926
No. 1692

14
Letter No. Conf. 214/1926-34 dated 19.4.26 from the Dir. of Inspn. Punjab submitting explanation of the Insptr. Sheikh as called for by the Secretariat para 7 (pp. 22-23) of

WD 01264—GPB—40,000—17-12-25

. F. III—2]

Serial No.

Sec. File No. 925 30

Subd with Dft & Fair copies.
File not seen by the Fl Secretary

Bar
24.4.26 98 Header is dempf. Sanction
pointed out—
Bar
26/4

99 Please communicate
to
26/4

Yours sincerely
Bar
Sd. Shri Campbell
H 6164/dated 27/4/26

The Director of Agri
in Compliance with the Govt
Memo. No 7392-3 dtd 23/4
sanction a sum of Rs 3000/- to
Dr Clarke as a temporary advance on
a distinct understanding that this
advance together with all advance
previously sanctioned by the Govt
of the concern is fully adjusted before
end of June 1926.

VD 01264—GPB—40,000—17-12-28

General and Revenue Secretariat | Sericulture File No. | of 1928 31

Serial No.

i 7-25-1

Future working of Sericulture.

(1) In July 1925, the position of the Mysore Silk Filature was considered to be unsatisfactory, because of the high cost of production of silk and of the difficulty experienced in finding a market for it and it was decided to close down the Filature unless the cost of production could be brought down below the market rate.

(2) The position has not materially improved since then as even now, it has been difficult to find a sale for the accumulated stock of silk held in France and India, in spite of the price being lowered.

(3) The Superintendent of Sericulture reports that the cost of production in the Filature is being steadily reduced as indicated below:

for ending 31	12.24	Rs. 19/- per lb
year "	30.6.25	" 18/-
	31.12.25	" 15/- ; but Rs. 15-13-8 according to Supdt. and this
in 9 months	1926	" 12-8-0 to 13-6-0 ; but it is Rs. 15-9-5 — Govt.

(4) But now, only Cocoons Grade II are being reeled with a view to bringing down the cost of production and what demand there is for inferior quality silk can command in the open market is for consideration, especially as a time when artificial silk is capturing the

Serial No.

105 The Filature has been working at a loss and there is little or no demand for its products. The concern was started in 1922 and cannot be considered to have passed the stage of an experiment and whether, in the face of present unsettled conditions, it is worth while keeping it on is for consideration on merits.

What does it amount to per year?

106 Kind attention is invited to the remarks made in para 22-23 of the audit report referred to in the last para hereof has not been read yet.

Subject to orders which the Govt. may pass on this report and the explanation of the Deptt. thereon the Report may be treated as finalised.

107 The results of the Auditor's special audit may be awaited, I think: he will be reminded about it.

Sec'y Agri)

WP 28/4

Hon'ble Minister — PR 29/4

WP 29/4

108 Yes. Please submit to Secretary.

SECRETARIAT
- 3 MAY 1926
INDUSTRIES & COMMERCE

2/5 For perusal

Secretary. PR 1/5

109 Wait Sec. answer WP 3/5 WP 4/5

PR 6/5

WD 01264—GPB—40,000—17-12-25

eneral and Revenue Secretariat | Seri File No. | of 192 5.

(33)

Serial No.

110

Sri. 53-25-7 (Part) linked

Please put link. Give a summary of the audit report

file observations in this case are Seri. 53.18/5.

The spl audit report ... sent ...

Sent for orders with the Special audit report (Linked case), in Contn. of paras 101-11 18.12.25

What is the point for orders in this file?

UG 15/5

111 The present file relates to the future policy that the Govt may adopt in the matter of the Silk Filature, being continued as an equipment of the Dept of Seri. The Special audit report is in Seri Agri the linked file.

UG 18/5

112 Kindly see my note in the linked file

UG 19/5

UG 19/5

21/5/26

113 Final orders were passed on the special Audit report in G.O. no. 1.C.2030-1 Seri. 53-25-14 dt 25.9.1926

114 The question of future policy in regard to this Filature was reserved for discussion in the monthly meeting at the Demand chambers on the 23rd December 1926

115. Sent for orders as to the action to be taken on the subject-mins. 8.8.27 — This file may now be

WD 01264—GPB—40,000—17-12-35

5478

File No. of 192

Serial No.

recorded, if approved. There is no idea of taking away the flatum from the Dept of Secr.

Secr D) 11/1/27.

yes GRr 12.1.27

13/1

Explained to Asst-Sy in person.

ARh 17.1.27

Why is it sent back to me? GRr 14.1.27

Asst Sy Explain. 15/1

13/1.

GEN. & REV. SECRETARIAT, 18 JAN 1927 DEVELOPMENT BRANCH.

FROM REVENUE
10 JUL 1925
G. D. SECTION

From

The Director of Agriculture in Mysore, I/C.

Bangalore.

Seri 2-25-1.

To

B. Nagappa, Esq., Bar-at-Law.,
Secy. to Govt. of Mysore,
I/C Rev. Deptt.,, Bangalore.

Sir,

In forwarding herewith copy of letter No.3 dated 1st July 1925 from the Superintendent of Sericulture reporting on the results of the action taken for the sale of the Filature Silk, I have the honor to state that I agree with the Superintendent's views about the necessity for sanctioning his previous proposals about personal investigation of the Northern Indian markets for our silk and to request the favour of early orders in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

A. Krishnamurthy

Director of Agriculture I/C.

Letter No.3 dated 1st July 1925 from the Superintendent of Sericulture in Mysore, Mysore, to the Director of Agriculture in Mysore Bangalore.

With reference to Government Order No.I.C.7366-69/A&E.170-24-7 dated 30th April 1925 issuing instructions for the sale of Filature Sil I have the honour to state:-

The instructions conveyed in the above Government Order were-

(1) to send samples to foreign firms and get quotations,

(2) to give 2 lbs. of silk to Mr.Abdul Quddus and

(3) to advertise the silk in the leading papers.

These instructions have been carried out. Samples were sent to

.....	Messrs.Chabrieres Morels & Co., of France, Duran
Hindu. Madras.	
Statesman. Calcutta	Bevan & Co., of England, the Silk Association of
Pioneer. Allahabad.	
Bombay Chronicle	America and the Silk Conditioning House of Milan
Sampadabudaya	
Swadesa Mitran	with a request to intimate to us the price they
Bengalee. Daily Post	
Arthasadhaka Patrika	would offer for it. 2 lbs. of silk were sent t
Tribune	
Guardian	Mr.Abdul Quddus on 8-6-1925. Advertisements we
Mysore Gazette	
.....	sent to the marginally noted newspapers. There

were a few enquiries in consequence of these advertisements, and these were promptly responded to by sending samples and prices. I regret th the results have been disappointing; no orders for our silk have been received either from abroad or from any part of India; nor have we been able to secure offers of Agency. This result seems to indicate that correspondence and News-Paper advertisement are not an adequate substit for personal touch and personal influence in business matters of any consequence.

As for Mr.Abdul Quddus, he was so far from showing any keenness ab taking the samples that he did not even reply to my letter enquiring wh deniers he wanted, and advantage had to be taken of his presence in Mys to deliver to him a collection of samples of different sizes. It would be an agreeable surprise if his efforts led to any-thing.

In this connection I should state that we tried the Bangalore mark and also tried to ascertain the requirements of manufacturers there. The result has not been encouraging/as the weavers are not equipped to turn the excellences of high grade silk to account and cannot therefore affo

afford to pay the higher price.

I am therefore constrained to resubmit my former proposals for consideration. It seems to me that a personal investigation of Indian Markets is absolutely necessary, for the disposal of Filature Silk, no less than for the disposal of our general silk production. The foreign market, with its violent fluctuations of prices and exchange, is not a thing we can place sole dependence on; and in regard to the great bulk of our silk production the foreign market is out of the question. The sericultural industry as a whole would benefit by the establishment of an Indian Demand - and a deputation to Northern India for this object uld also furnish a capital opportunity for the disposal of Filature lk.

The proposal of the old stocks now is absolutely necessary to lease funds for the purchase of Cocoons, and for the repayment of the mporary advance sanctioned in Government Order No.I.C.8538-9/A&E.445--2 dated 23rd June 1925. The prices of Cocoons are now as low as ey are ever likely to be; in fact they are close to the limit below ich Cocoons will cease to be produced, and a rise in prices will be cured by a reduction of out put. The quality is also excellent. If make our purchases now, we can produce silk at a cost within reach en of local manufacturers.

The methods now tried for disposing of the silk in stock have been effectual. Failing sales by personal investigation and effort in rthern India, the only resort left would be to send the stock to some reign firm to be sold by commission for us at the best prices they uld get; but this course would be both slow and hazardous.

I request you to instruct me very early what I should do in the

Abstract from A & E File No.463 of 1924

Para 7. The Director of Industries has since seen me and said that Mr. D'Sylva is manufacturing better silk than at our Filature, and that there is no use there of the Filature as an Experimental one, and it might be sold, and that he could take over the manufactured silk : Department provided the raw silk is paid for according a clothes are manufactured.

8. These suggestions are valuable, and I agr After the Filature is sold, there would be no justificat for placing the Supderintendent unier the Director of Industries.

Intd. K.C.

3-7-1925.

dispose of the stock of cocoons
cept such quantities as he m
quire for experimental purpose
may also be directed to stop
other purchases of cocoons — e
purposes of Experiment — .

I have th

D C

SUBJECT..... Cultivation .....

Diary No. of letter replied to

Section Seri
File No. 2-25
Serial No. 2.

No. Je 690

To The Du of Agri in Mys

Sir,

In cum of the O Mem
letter No -Je.s.3/0. 30th July
issue instructions in the
of stopping further production of
ri silk, at the filature and
of their accumulated stock
I am directed to request
to issue immediate instru
to Sahib of Seri to take

Sericulture 2-25-3

Sericulture 2-25-2.

Telegraphic Address "Agri., Bangalore."
Code—5th Edition A. B. C.

DEPARTMENT OF AGRICULTURE,
MYSORE STATE.

Bangalore,

In reply please quote in full the Nos. and indicative symbol given below.

13th August 1925.

Confidential.
No. Roc. 214 of 25-26.

FROM G. H. Krumbiegel, Esq., F.R.H.S.,
~~BESIL C. COLEMAN, Esq., M.A., PH.D.,~~
Offg. DIRECTOR OF AGRICULTURE IN MYSORE,
BANGALORE.

GENERAL SECRETARIAT
964
20 AUG 1925
INDUSTRIES & COMMERCE BRANCH.

To

K. V. Anantaraman, Esq., B.A.,
Secretary to the Government of Mysore,
Revenue Department, Bangalore.

Sericulture 2nd Memo
forwarded
h
18/8/25

In reply to letter No. I. C. 690 dated 5th August 1925, regarding the closing of the Filature, I have the honour to state as follows:-

There seems to be some misapprehension regarding the cost of production as also the general market rate. I have ascertained that our production at present is about Rs. 15/8 for the finer counts of 13/15. The cost of cocoons is however high at present and prices are coming down so that we can lower the cost of production by reeling coarser counts for the Indian Market. The prices obtained last month are Rs. 16/- for 18/20^{s} and Rs. 18/- for 11/13^{s} and to-day I had a wire for 12 bales from France at over Rs. 18/- per lb. which will absorb all the stock we have on hand. There is therefore nothing inconsistent between our rate of production and present prices obtained.

I am not in favour of reeling low grades because the object with which the Filature was started was to reel finer counts and fit the Mysore Silk for the European Market. I shall however arrange that temporarily lower grades are reeled and the cost of production kept lower until the demands of the European Market are more assured.

To close the Filature would, in my opinion, be a grave error for several

Confd

Section Sci 2-25

File No.

Serial No. 4

Diary No. of letter replied to

Confd

No. 1-C. 1212

To The Dir of Agri.

General and Revenue Secretariat

( )

, the 192

Date of issue 20/8/25

Signed by Sd/- V. V. Ethayan

Sir,

Confd

With ref^e to your letter No ROC 214 of 25-26 d. 13/8/18 Aug. 1925, ~~intimating the cost of production~~ of silk of the mulberry plants and ~~recommending for the grant of rates~~ the filature ~~may be granted~~ to the ~~said firms~~, I am directed to request you to furnish ~~detailed report~~ further information on the following points ~~in the matter~~ of Govt :—

1) What are the details for the figure in your letter Rs 15/8/0, which you say, in the cost of production per lb of 13/15 deniers silk?

over

Regarding the issue of

List of enclosures

Copied by

Examined by

everal reasons; in the first place, the main object of grading up ilk would be defeated, (2) facilities for the training of men fo igh class work would be lost and (3) it would deprive the Depart f its main equipment for testing the work of silk-worm breeding. hese objects could not be carried out in a private Filature.

It is further very doubtful whether any satisfactory of ould be received since the Filature is not as efficient as it mi e and not quite suitable for local conditions. Improvements ar eing effected and this in itself is important work which ought n o be interrupted at this stage. I am fully in sympathy with th rinciple that an industry which has been fully developed by Gove ent Agency should be handed over to private enterprise rather th ontinued to compete with it, but I feel that, in the case of the Fil t would be premature.

I have the honour to be,

Sir,

Your most obedient servant,

Offg. Director of Agriculture.

What proportion of pay of supervising officers does the cost of production include? — and what proportion of interest and depreciation charges of whole plant (including power)? (2) To what extent will this rate be reduced if lower grades are substituted wherever it is found practicable to do so?

2) What is the actual price, at the present rate of exchange, at which the silk was sold in France?

What responsibility does the Maharaja have?

If I am able to enquire whether all the objects which you state, are being carried out by the Government Filature at Mysore, could not be met by considerably reducing the ~~much smaller~~ rate of production (output) the cost of establishment —

I have the

honour

20/5/—

R.S.

Immediate
Confd

Section Seri

File No. 2-25

Serial No. 5

No. I.C. 1519

To The Director of Agri.

Diary No. of letter replied to .....

General and Revenue Secretariat

)

, the 192

ate of issue 31/8/25

gned by Mr. V. V. Varadan

Sir,

With reference to your le
no. N.D.C. 214 & 134 Aug: 1925
in the matter of closing
~~keeping open~~ the Silk Filatures
~~Hyderabad may not be closed as th~~
~~is nothing inconsistent between~~
~~Cost of production of Silk and~~
~~market prices~~, I am directed
state that the orders of Govt: C
municated in letter no I.C. 63
30th July 1925 were to stop p
further
direction of Silk if the cost
of production could not be made
& sale less than the market pr
and it was in order to verify this,
favour of an urgent reply by this

List of enclosures.....

Copied by .....

Examined by.....

over

Office letter no D.C. 1212 Seri 2-25-4 of 20/8/25 is requested.

In the meantime, I am to state that the production of silk need not be stopped if you are personally satisfied that the cost of production of silk is really less than the market price of it.

I have &c

Ram Lees

28/8

14.28.8.25

ic Address " Agri., Bangalore."
de—5th Edition A, B, C.

DEPARTMENT OF AGRICULTURE,
MYSORE STATE.

Ser. 2-25-6.

Bangalore,
September 10.....1925.

reply please quote in
ce Nos. and I in licative
ol given below.

C.214-Conf. of 25-26.

REV. SECRETARIAT 3147 1925 TRADE & COMMERCE

The Offg. DIRECTOR OF AGRICULTURE IN MYSORE,

BANGALORE.

B. Sreenivasa Iyengar, Esq., B.A., B.L.,
Secy. to the Govt. of Mysore,
Rev. Deptt., Bangalore.

In reply to your letter No.I.C.1212/Ser.2-25-4, ted 20-8-1925 and subsequent reminder No.I.C.1056/A&E. -25 dated 8th September 1925, I have the honor to enclose tracts from letters of the Superintendent, Sericultural partment which I trust will give you the information -- lled for

When at Mysore during Dasara I shall ascertain how e present arrangements work and see whether reduction in ne of working is necessary.

I have the honor to be,
Sir,
Your most obedient servant,

Offg. Director of Agriculture.

Extract from letter no.617 dated 27/28th August 1925 from the Superintendent of Sericulture, Lysore, to the Offg. Director of Agriculture in Mysore, Bangalore.

---

x x x

(1) The details for Rs.15-8-0 (the cost of production of 1 lb. of 13/15 Silk) are as below:

Cost of 17.5 lbs. of Cocoons @ Rs.15/- per maund of 25 lbs.	Rs.10- 8-0
Cost of Fuel.	" 1- 0-0
Cost of supervision charges. (Fil.Supt.Fil.Asst. and allowance to Operatives.)	" 1- 2-0
Cost of Establishment, wages, water, light, contingencies, and rent.	" 4- 2-0
	Rs.16-12-0
Deduct cost of 3/4 lb. waste.	1- 4-0
Cost of production.	Rs.15- 8-0

The pay of supervising staff is 7.2% of the cost of production. Interest and depreciation charges are not included; and power does not cost anything extra.

x x x x

We are now reeling longer sizes for which we can get local sales. Some proposals have been submitted which would result, if sanctioned, in a further reduction of cost of production. For 30/3 silk, the cost of production is 13-8-0 to 13-12-0 per lb., and this is what we are now reeling.

x x x x

3. The price quoted in France is 320 francs per kilo. This works out to Rs.17-8-0 per lb. (taking the buying value of the franc at 830 for Rs.100.) The marketing charges (including transport and commission) will be about Re.1 per lb.

x x x x

****

"COPY."

Offg. Director of Agriculture.

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

, the 192

Date of issue 21-9-25

Signed by Illegible

Section Seri

File No. 2-25

Serial No. 7.

Urgent

No. Se 1978

To The Director of Agri.

Sir,

With reference to Correspondence ending with your letter no Rse 214 S 109/25- furnishing details for the Cost of production per unit of ~~Reeling~~ Silk, I am directed to request that the report on the marginally noted subject- Called for in letter no. S.C. 1212 Seri 2-25-48 S 208/25- may be submitted after visit at Mysore Yun the Filature during this ensuing Dassara.

I have &c

WP 1876

for Rev. S

which all the departmental requirements could be met- at a much smaller Cost- apart from provn. on a Commercial basis.

Dear Sir,

We shall be obliged if you can kindly favour us with information about the cost of producing silk in your Province about present market prices.

We remain your early reply is required

Yours faithfully

for

Secretary, Ch Secty

L. Sykes Esq
Silk Filature
Ulsoor Gate
Bangalore City

To

The Director of Agriculture in Mysore.

Dear Sir,

With reference to correspondence ending with your letter No.R.O.C.214 dated the 10th September 1925, furnishing details of the cost of production of silk at the Mysore Silk Filature, I am desired to request you to kindly furnish information as to the price actually realised per lb. by the sale of last consignment of silk to France and whether the rates work out to Rs.16/8 excluding marketing charges, ie., transport and commission as anticipated by the Superintendent of Sericulture.

In this connection, I am to state that it has been ascertained that the cost of manufacturing the finer deniers of silk in the Bangalore Silk Filature exclusive of the silk-waste comes to Rs.14/8 and 13/8 for coarser deniers even after allowing 8 per cent as interest and 5 per cent for depreciation on machinery and enquire why the cost of production as estimated in the Government Silk Filature should be so much higher than in a private concern.

I am to point out that it is not safe to base the cost of production at the Government Silk Filature, on the prices prevailing in foreign markets, which, experience has shown is an uncertain factor. Calculating depreciation on machinery at 5 per cent and interest on the cost of buildings at 2½ per cent and on capital

at 7 per cent, the cost of production in the Filature at Mysore must be brought down much lower than it is at present so that silk can be manufactured for the local market, at prices more or less corresponding to those at which a market can be procured in India for such silk.

If the cost of production cannot be substantially reduced, I am to state that Government will be constrained to take up the original proposal to close the Filature, etc., contemplated in letter No.I.C.631/Seri.7-25-1 dated 30th July 1925.

Your views in the matter may kindly be furnished at a very early date.

Yours sincerely,

DEPARTMENT OF SERICULTURE

MYSORE STATE

Mr. N. Rama Rao, B.A., B.L.
Tel. Address—SERI.

Office of the Superintendent of Sericulture in Mysore,
Exhibition Buildings,

Mysore, 4th April 1926

GOVT. SECRETARIAT
5197
6 APR 1926
INDUSTRIES & COMMERCE
BRANCH.

Dear Sir,

Re' yr letter no 9C. 6569/Seri. 3-25-9 dated 23. 3. 1926 & the Director of agriculture on the subject of the Filature. I enclose copy of a letter I have this day sent to the Director furnishing the explanation required of me. I have taken this step, as I believe that Govt expect an immediate reply.

Yours sincerely

N Rama Rao

R. Ranga Rao Esq., B.A., B.L.,
Secretary to Govt, Medical and Agri Depts

DEPARTMENT OF SERICULTUI

MYSORE STATE

IMMEDIATE & CONFIDENTIAL.

MR. N. RAMA RAO, B.A., B.L.

Tel. Address—"SERI"

OFFICE OF THE SUPDT. OF SERICULTURE IN MYSORE,
EXHIBITION BUILDINGS,

Mysore, 2nd April *1926.*

FROM

N. RAMA RAO, ESQ., B.A., B L.,
Superintendent of Sericulture in Mysore,
MYSORE.

TO

G.H. Krumbiegel, Esq., F.R.H.S.,
Offg. Director of Agriculture in Mysore,
Bargalore.

SUBJECT AND REFERENCE—

SIR,

With reference to your Immediate and Confidential D.O. letter dated the 29th instant, sending me letter No. I.C. 6569/Seri.3-25-9 dated 23-3-1926 from the Secretary, Medical and Agricultural Departments, I have the horour to state:

An explanation is wanted from me on the state of affairs disclosed in the Secretary's letter. The first four paragraphs of the letter narrate facts which do not seem to require explanation. I may say that every arrangement corrected with the Filature, such as the contract with Mr. M.S. Devoji Rao, and with the Sri Krishnarajendra Mills, the publication of advertisements, the distribution of samples, the consignment of silk to France, was made with the sanction of Government. In regard to some matters, such as the sending of samples to Mr. F.M. Abdul Quddus, Government themselves took the initiative, and I merely carried out orders. In other matters, my proposals were over ruled and other methods of

procedure were prescribed. There has not been a single instance in which important action has been taken without the express orders of Government. I may ever say, with all respect, that with regard to the management of the Filature, I have not enjoyed the freedom of action which the nature of the business seems to require. I have had to work under difficulties - not of my making or seeking, but the result of abnormal conditions of markets and production, and of delays due to insufficiency of discretionary power and consequent necessity to seek for and obtain orders. I have also had other difficulties, which it is needless to mention here, but of which I complained to the Director at the time. The Filature which was the first of its kind in India, had to train its own labour, evolve its own methods of work adapted to local conditions of material and labour, and establish its own market. All this it has done, and I venture to add, done well; and it is mainly due to its efforts and example that there is now a Filature industry in Mysore, and that Mysore silk is known in India and abroad. The losses suffered by the Filature were due to exceptional causes, and were not peculiar to this concern. They were also due in part to the difficulties I have enumerated earlier in this paragraph. I therefore deeply regret the opinion that "The working of the Filature has been characterised by a lack of business methods," [illegible] The business has been managed throughout under orders, which have extended even to details, and every little matter connected with the concern has been reported from time to time to the Director of Agriculture. The accounts are subject to half yearly audits conducted by the Financial Department, which after the necessary further reports from me are reviewed by Government. The more important sales are effected under orders; the more important outstandings are pending orders for recovery.

I feel

I feel very keenly the remark that Government have not been kept fully informed of the actual condition of the working of the Filature. There is not a fact about the Filature which has not been reported then and there to the Director, and I have repeatedly complained, as emphatically as was consistent with due respect, of the difficult position in which I have often been placed by delays in transmission. In para 6 of the Secretary's letter, it is stated that beyond a report in November last, no information has been received by Government about the results of the consignment of 13 bales to France. I have submitted the following 7 reports on the subject of which 6 were to the Director, and one to the Assistant Secretary to Government:

1. Letter No. 1292 dated 19-10-25 to the Director of Agriculture, stating that 10 bales were despatched to France on 25-8-25.
2. Letter No. 1875 dated 13-11-25 to the Director of Agriculture in Mysore, furnishing information in regard to the Stock of silk in France and in Filature.
3. Letter No. 1956 dated 17-11-25 to the Director of Agriculture in Mysore, stating that 13 bales have been despatched to France.
4. Letter No. 2435 dated 22-1-26 to the Director of Agriculture in Mysore, stating that no information is yet received in regard to the silk in France.
5. Letter No. 2449 dated 28-1-26 to the Director of Agriculture in Mysore, requesting instructions in regard to the sale of silk in France.
6. D.O. No. 2938 dated 3-3-26 to the Asst. Secretary, General and Revenue Secretariat, giving him information in regard to the stock of silk in Filature on 1-3-26.
7. Letter No. 3323 dated 27-3-26 to the Director of Agriculture in Mysore, requesting orders for the sale of Filature silk in France @ 290 Francs per Kilo.

When, after submitting these reports, I receive a reprimand for silence, I feel that I am suffering for faults that are not really mine.

I submit enclosed a list of the special and periodical

reports which I have furnished and am furnishing without default and which disclose fully every aspect of the work of the Filature.

I would submit in conclusion that the Filature is working satisfactorily, considering its size, object, and conditions; that every stage in its progress and every important incident relating to its management has been duly reported, and that the cost of production which was at one time high owing to conditions beyond control, has been now reduced to a minimum well below the market price.

I have the honour to be,

Sir,

Your most obedient servt

Ed N Ramiah Rao

Superintendent.

N Ramiah Rao

SPECIAL AND PERIODICAL REPORTS IN P CARD TO FIL TURE.

1. Note on "Filature and its objects."
   Letter No. 2974 dated 1-4-25.
2. Report in regard to cost of production and sale of silk in Fre
   Letter No. 617 dated 28-8-25 in reply to Revenue Secretary's l
   No. I.C.1212-Seri.2-15-4 dated 20-8-25, to the Director of
   Agriculture in Mysore.
3. Report in regard to sale of silk in France, cost of productio
   silk and markets for Mysore Silk.
   Letter No. 1051 dated 18-11-25 in reply to Revenue Secretary's
   letter No. I.C. 3489/Seri.1-8-25 dated 21-11-25 to the Direct
   of Agriculture in Mysore.
4. Reports in regard to sale of silk to Sri Krishnarajendra Mill
   requesting permission to take legal action for recovery of
5. Reports in regard to recovery of dues from Mr. M.S. Devoji Rao
6. Reports in regard to sale of silk in France.
7. Half yearly audit reports and my replies thereon.
8. Report in regard to sale of silk to Mr. F.I. Silva.
9. Reports in regard to cost of production and propose ls for re
   over head charges.
10. Reports in regard to markets for Filature silk in Northern In
    entrusting silk to Mr. C. Subba Rao.
11. Annual reports.
12. Half yearly reports - Balance Sheet - Manufacturing, Trading
    Profit and Loss Accounts.
13. Report in regard to the closure of the Filature for part of w
    capital.

Superintendent of Sericultur

. H. KRUMBIEGEL, Esq., F.R.H.S.,
Offg. Director of Agriculture in Mysore,
Bangalore.

8/4 10/4

Ranga Rao, Esq., B.A.,B.L.,
Secretary to the Government of Mysore,
Medical and Agricultural Departments, Bangalore.

reply to your letter No.I.C.3498/Seri.2-25-8, dated 21st November 1925 and subsequent reminders, I have the honour to state that though various questions concerning the sale and production of silk have been replied to, a full and final report on the reduction of the cost of productions was not possible as the factors affecting our endeavours of reducing the working expenses are variable and it took necessarily some time to adjust altered working arrangements. When going on tour last month, I had not the figures for January and February ~~also and~~ should have submitted the matter before leaving for Chitaldrug on 22nd. These figures have meanwhile been received and the following shows the cost of production from beginning of 1925 to date:

During the first half year of 1925 the finer deniers 13/15 which is the silk sent to France were spun and the cost w
Subsequently on receipt of Government letter No.I.C.631-8
dated 30th July 1925 steps were taken to reduce the cost. As reported in this office Roc.214 of 25-26 dated 13th August I did not favour the production of low grade silk and as there was then some prospect of the market in Europe ~~XXXXXXXX~~ recovering, I allowed some 13/15 to be reeled but at the same time started reeling the thicker counts 28/30. The cost of the finer counts was reduced to Rs.15/- and the courser counts came to Rs.13-8-0. We are now reeling only the courser counts and for January and February, the cost for 28/30 has been further reduced to Rs 13/4 and 45/55 have also been reeled at Rs 12-8-0.

production I have carefully looked into the number of hands employed
nd found that the proper working does not admit of any reduction if
conomied outturn is to be effected.

Government is aware of the large outstandings d
evoji Rao and the Krishna Rajendra Mills. Some time
ut it is for Government to decide whether legal actio
aken.

The silk sent to France amounting to £.1430,
old. The original market quotation of 320 francs
hen the silk arrived and the rate is now 297 franc
all of the franc will cause out getting about Rs.7
here. Nevertheless, I strongly advise that the st
urrent rate as long as storage will not improve it

There are 900 lbs. of silk in stock of which 2(
ntrusted to Mr.G.Subbarayan of Closepet for sale i
xpected that by this arrangement connections with
ill be made and lead to useful results in getting
art of the stock is 13/15denier, and this may also
it twisted to suit Indian requirements which wi
b. but it will result in speedier disposal and
represent a betterment, and sales should be profi
ion in India are established.

I have already stated in my letter of the
I consider the filature of great help and a nec
eneral improvement of the silk industry and for
dvise its closure. I have also considered the
ing our experimental reeling on the domestic ba
or village work, this is not efficient enough t
or to train hands for high class production
t must be said that if the filature is to be lo
of making profit it had better be given up for
t of artificial silk is alarming and natural si
While
which at Bombay in connection with the Central

ommittee, I took an opportunity to inspect the Sasson Silk Mills hich is the largest there. After great trouble in waiting and elephoning to various authorities I obtained permission and very oon saw the reason for the apparent hesitation in giving permiss or practically ~~easy~~ certainly loam, ~~earning~~ 90% ~~were~~ working artificial si he quality has been considerably improved and the resulting material s effective as the best natural product.

It is therefore no use blinking at this fact. The question e boldly faced and all factors which will improve the natural si ndustry must be studied.

If we wish to go on with the improvement of the industry, hink this is essential, we cannot confine ourselves to breeding, earing but should grade up the reeling work also. The filature ery small one and overhead expenses must always be out of propor ut if we can manage to keep income and expenditure in the prese pproximation it will serve its purpose.

If Government is pleased to agree to the continuation of the ilature, I request that the advance of Rs.5000/- asked for by uperintendent may kindly be granted.

I have the honour to be,

Sir,

Your most obedient servant,

Offg. Director of Agriculture.

10/

Letter No.3323/E.1 dated 26/27th March 1926 from the Superintendent of Sericulture, Mysore, to the Offg.Director of Agriculture in Mysore, Bangalore.

Subject:- Filature Silk in France.

I have the honour to submit herewith copy of a letter received from Messrs. Chabrieres Morel and Company, stating that for reasons given by them it is improbable that they could get a better price than 290 francs per kilo - which works out to approximately Rs.13-14-0 per lb. The silk with them consists of some very old lots, which might account for its poor winding quality. As the silk is now in France, the best course seems to be to authorise Messrs. Chabrieres Morel and Company to sell it at the best price they can get, not lower than those stated by them, as the only other alternative is the impracticable one of getting it back at further expense.

I request very early orders, as I should like to cable instructions to them.

As I have already reported, the Filature has had to be closed for want of working capital; the speedy disposal of the silk in France would release nearly Rs.20,000/-.

Letter No. M.G.M. - J./J.D. dated March 2nd, 1926, from Messrs. Chabrieres Morel and Co., Lyon, to the Superintendent of Sericulture in Mysore, Mysore.

We confirm our letter of December 11th and we have received yours of December 7/9th.

At the end of January we have managed to obtain the offer of F.285.-cash for 4 B/ your stock and 2 B/ of Mr. Devoji Rao. The price seemed rather low and we decided to consult you, as per enclosed copy. You did not reply and we let go that transaction. We regret that we did not insist to have your acceptance as your stock is only composed of silks of inferior winding which, as already pointed out, are very difficult to sell, especially when throwing mills, as it is the case now, are busy. We therefo nfirm that if you want to sell your silks you will have to cept comparatively low prices which today would not be more than 285/ 290 cash.

ACCOUNTS. - We enclose abstract of the account current of Devoji Rao at December 31st 1925, with a balance at his debit F.24,510,60. Kindly remit same to Mr. Devoji Rao.

****

"C O P Y."

Offg. Director of Agriculture.

COST OF PRODUCTION FOR JANUARY 1926.

Raw Material.

Cocoons.	3616 lbs. @ Rs.15-8-0 per maund.	...	2,242- 8-0	
Fuel.	16 tons 10 cwt. @ Rs.13/- per ton.	...	214- 8-0	
				2,457-0- 0

Direct Head Charges.

Establishmen	....	685-15-9	
Wages.	....	41-10-0	
Light and Wa	....	29- 8-0	
Contingencie	....	35- 0-0	
			792-1- 9
			3,249- 1-9

Deduct cost of

139 lbs. of 1st Class waste	278-0-0		
Kilchas, unrrelable cocoons and floss.	50-0-0		328- 0-0
	328-0-0		
		Net Cost.	2,921- 1-9

Production.

	lb.	Grams.
Silk.	226 -	367
Driage.	5-	340
Net Silk.	221 -	27

	Lbs.
Waste 1st Class.	139
Unreelable cocoons.etc.,	30
Kilchas.	1½
Floss.	20

Sizes. 28/30 & 11/13.

Average cost of production per lb. of silk. Rs.13-4-0.

Actual price realised for 28/30 Rs.13-12-0 and Rs.13-10-0 per lb.
Actual price realised for 11/13 size Rs.17-0-0 per lb.

Copy

OST OF PRODUCTION FOR FEBRUARY 1926.

Raw Material.

Cocoons.	4,480 lbs. raw @ Rs.15-8-0 per maund.	Rs.2,778- 0- 0	
Fuel.	17 tons @ Rs.13/- per ton.	Rs. 221- 0- 0	Rs.2,999/-

Overhead charges.

Establishment.	Rs. 684-10- 7	
Wages.	Rs. 51- 1- 6	
Light and water.	Rs. 30- 0- 0	
Contingencies.	Rs. 35- 0- 0.	Rs. 800-12-1
		Rs.3,799-12-1.
Deduct cost of 172 lbs. of 1st class waste @ Rs.2-2-0 per lb.	Rs. 365- 8- 0.	
Cost of 2nd class waste, unreelable cocoons & silk floss.	Rs. 50- 0- 0.	Rs. 415- 8- 0
Net cost.		Rs.3,384- 4-1.
Average cost of production per lb. of silk. ...	...	Rs. 12- 6-4.
Actual price realised. ...	...	Rs. 13- 8-0 per lb. for 45/55 size.
Actual price realised. ...	...	Rs. 17- 0-0 per lb. for 11/13 size.

Production.

	lbs.	Grammes.
Silk.	280	253
Driage.	7	235
Net Silk.	273	18
	lbs	
Waste 1st class.	172	-
Waste 2nd Class.	30	-
Kilchas.	1	-
Floss.	20	-

Sizes. 45/55 and 11/13.

****

Immediate & Confidential

DEPARTMENT OF AGRICULTURE,
MYSORE STATE.

GOVT. SECRETARIAT
22 APR 1926
INDUSTRIES & COMMERCE BRANCH.

D.O. No. A.O.C. 214-H.C. 34 of 25-26

OFFICE OF THE DIRECTOR.

G. H. KRUMBIEGEL, ESQ., F.R.H.S.,
Offg. Director.

Bangalore, 19th April 1926.

Dear Sir,

In reply to your D.O. No. I.C. 7179-Seri. 2-25 dated 16th April 1926, I am enclosing copies of the two reports said to have been undul delayed in this office. Report of 2/4th April did not as a matter of fact reach me till I had written my report of 7th April and as it conta ed nothing on the working of the Filature, which I had not already dealt wit in my report, I noted for the Head-Quarter Assistant that the report ma be filed or submitted to Government after my return as I was then leavi for Mysore and Chikmagalur.

The Report of 7th which is more to the point was put up on my retur n 12th but high fever prevented my taking up work from Tuesday, there hus a delay of six days which was unavoidable. I believe you are in possession of my report of 7th, of my tour programme 8th to 11th and of he report of my illness when your above quoted D.O. was written.

Now as to the report of the Superintendent of Sericulture of 7th herewith enclosed it contains nothing more than what I have already communicated on in my report.

The immediate concern is to realise the outstandings and I again request Government orders to authorize the agents in France to sell at he market rate.

Mr. Devoji Rao's period ~~at France~~ of mine expired on 31st March and all his silk is in France.

The Krishnarajendra Mills have not responded to the notice given. Orders whether legal proceedings should be instituted or not in both these cases may kindly be decided by Government. The cost of production - I have already shown that the cost has been reduced from Rs. 18/- to Rs. 12/8/- by reeling coarser counts and that no further ~~XXXXXXXXXX~~ alterations or reductions in the working arrangements are practicable. Further reductions of the cost may however be possible if market rates for cocoons and other materials are coming down, or if only one

turned out instead of a number of various sizes.

Finding a market - whether sale can be increased will depend on th extent to which we can find a market in India. The Superintendent is convinced of the necessity of going himself to tour in India.

I have already stated in my previous report that the Silk Industry in India is as seriously affected by the introduction of artificial silk as the Industry in Europe and that the prospects even of selling the coarser sizes is not as good as it was a few years ago.

The object of our Filature is to educate the people in the reeli of high grade silk. Now if the Indian Weaving Industry made it a poi to use the finer counts 13/15 and twist them to get a thicker thread f their particular requirement then it might pay to go on reeling much - finer counts which would be grading up our silk and make it at the sam time suitable for the America and Europe markets. But when we are -- obliged to work solely on such ~~cocoon~~ coarser counts as 40/45 and 45/55, the question arises whether doing this in competition ~~of~~ with private filatures is serving any useful purpose.

I believe that for these counts we can effect that grading up of the general quality of the Mysore silk (which is our object) by the us and improvement of the Domestic Basin.

I am having working drawings made to see whether a European Firm could make this basin more precise and efficient.

Meanwhile and until some opportunity ~~appears~~ offers itself to hand over the Filature as a ~~joining~~ going concern to some private agency, I am strongl in favour of continuing the working rather than closing it down as a - ~~filature~~ failure which would give a wrong impression, have a very discouraging effect on the development of the industry.

Yours sincerely,

M. Ranga Rao, Esq., B.A., B.L.,
Secretary to the Government of Mysore,
Medical and Agricultural Departments,
Bangalore.

Letter No.3401 dated 2nd/4th April 1926 from the Superintendent of Sericulture in Mysore, to the Offg.Director of Agriculture in Mysore, Bangalore.

With reference to your immediate and confidential D.O.letter dated the 29th instant, sending me letter No.I.C.6569/Seri.3-25-9 dated 23-3-1926 from the Secretary, Medical and Agricultural Departments, I have the honour to state:

An explanation is wanted from me on the state of affairs disclosed in the Secretary's letter. The first four paragraphs of the letter narrate facts which do not seem to require explanation. I may say that every arrangement connected with the Filature, such as the contract with Mr.M.S.Devoji Rao, and with the Sri Krishna Rajendra Mills, the publication of advertisements, the distribution of samples and the consignment of silk to France, was made with the sanction of Government. In regard to some matters, such as the sending of samples to Mr.F.M.Abdul Quddus, Government themselves took the initiative, and I merely carried out --- orders. In other matters, my proposals were over-ruled and other method of procedure were prescribed. There has not been a single instance in which important action has been taken without the express orders of --- Government. I may even say, with all respect, that with regards to the management of the Filature, I have not enjoyed the freedom of action --- which the nature of the business seems to require. I have had to work under difficulties - not of my making or seeking,- but the result of abnormal conditions of markets and production, and of delays due to, ... insufficiency of discretionary power and consequent necessity to seek for and obtain orders. I have also had other difficulties, which it is needless to mention here, but of which I complained to the Director at the time. The Filature which was the first of its kind in India, had to train its own labour, evolve its own methods of work adapted to local conditions of material and labour, and establish its own market. All this it has done, and I venture to add, done well; and it is mainly due to its efforts and example that there is now a Filature Industry in Mysore and that Mysore silk is known in India and abroad. The losses suffered by the Filature were due to exceptional causes, and were not peculiar to this concern. They were also due in part to the difficulties I have enumerated earlier in this paragraph. I therefore deeply regret the

the opinion that "the working of the Filature has been characterised by a lack of business-methods". The business has been managed --- throughout under orders, which have extended even to details and very little matter connected with the concern has been reported from time to time to the Director of Agriculture. The accounts are subject to half-yearly audits conducted by the Financial Department, which after the necessary further reports from me, are reviewed by Government. The more important sales are effected under orders; the more important outstandings are pending orders of recovery.

I feel very keenly the remark that Government have not been kept fully informed of the actual condition of the working of the Filature There is not a fact about the Filature which has not been reported then and there to the Director, and I have repeatedly complained, as emphatically as was consistent with due respect, of the difficult position in which I have been often placed by delays in transmission. In para 5 of the Secretary's letter, it is stated that beyond a report in November last, no information has been received by Government about the results of the consignment of 13 bales to France. I have submitted the following seven reports on the subject of which 6 were to the --- Director, and one to the Assistant Secretary to Government:

1. Letter No.1292 dated 19-10-1925 to the Director of Agriculture in Mysore, ~~[illegible]~~ stating that 10 bales were despatched to France on 25-8-25.
2. Letter No.1575 dated 13-11-25 to the Director of Agriculture in Mysore, furnishing information in regard to the stock of silk in France and in Filature.
3. Letter No.1556 dated 12-11-25 to the Director of Agriculture in Mysore, stating that 13 bales have been despatched to France.
4. Letter No.2435 dated 25-1-1926 to the Director of Agriculture in Mysore, stating that no information is yet received in regard to the silk in France.
5. Letter No.2449 dated 28-1-26 to the Director of Agriculture in Mysore, requesting instructions in regard to the sale of silk in France.
6. D.O.No.2938 dated 3-3-1926 to the Assistant Secretary, General and Revenue Secretariat, giving him information in regard to the stock of silk in Filature on 1-3-1926.
7. Letter No.3323 dated 27-3-1926 to the Director of Agriculture in Mysore, requesting orders for the sale of Filature silk in France @ 290 Francs per Kilo.

When, after submitting these reports, I receive a reprimand for

ilence, I feel that I am suffering for faults that are not really mine.

I submit enclosed a list of the special and periodical reports which have furnished and am furnishing without default and which dis-loses fully every aspect of the work of the Filature.

I would submit in conclusion that the Filature is working satisfac-orily, considering its size, object and conditions; that every stage in ts progress and every important incident relating to its management has een duly reported, and that the cost of production which was at one time igh owing to conditions beyond control, has been now reduced to a mini-um well below the market price.

Director's Note on above.

The report does not furnish any working figures for which I had sked. However, I have already written the report to Government as I ould wait no longer and these January and February figures obtained by lip, I think, are correct. The Superintendent's statement that he has ad difficulty through delays in transmission is a traversal of fact as one of the papers cited were delayed. Nos.1, 2 and 3 were submitted to overnment directly.

o.4.-A mere negative reply had already been communicated to Government.

o.5 - I noted on this that while inspecting the Filature I had already uthorized the Superintendent to wire to sell at Francs 320. Therefore he office took no further action.

o.6.- Was not addressed to this office.

o.7 - The receipt of this revealed the fact that no steps were taken n my verbal orders.

I have already in my report asked Government to authorize the sale t the current market rates.

The fact is that the papers are dealing solely with the silk in rance and the report gives no figures relating to the working.

The special and periodical reports mentioned in the list attached by the Superintendent have all been duly disposed or dealt with.

Offg. Director of Agriculture.

Special and periodical reports in regard to Filature.

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1. Note on "Filature and its objects".
   Letter No.2974 dated 1-4-1925.
2. Report in regard to cost of production and sale of silk in Fran
   Letter No.617 dated 28-8-1925 in reply to Revenue Secretary's letter No.I.C.1212-Seri.2-15-4 dated 20-8-1925, to the Directo: of Agriculture in Mysore.
3. Report in regard to sale of silk in France, cost of production silk and markets for Mysore silk.
   Letter No.1951 dated 18-12-1925 in reply to Revenue Secretary's letter No.I.C.3489/Seri.2-8-25 dated 21-11-1925 to the Directo: of Agriculture in Mysore.
4. Reports in regard to sale of silk to Sri Krishnarajendra Mills and requesting permission to take legal action for recovery of dues.
5. Repots in regard to recovery of dues from Mr.M.S.Devoji Rao.
6. Reports in regard to sale of silk in France.
7. Half yearly audit reports and my replies thereon.
8. Report in regard to sale of silk to Mr.F.L.Silva.
9. Reports in regard to cost of production and ~~XXXX~~ proposals for reducing over-head charges.
10. Reports in regard to markets for Filature silk in Northern Indi and entrusting silk to Mr.G.Subba Rao.
11. Annual reports.
12. Half-yearly reports- Balance sheet- Manufacturing, Trading and profit and loss Accounts.
13. Report in regard to the closure of the Filature for want of work capital.

Letter No.3428 dated 7th April 1926 from the Superintendent of Sericulture in Mysore, to the Offg.Director of Agriculture in Mysore, Bangalore.

Subject and Reference:- Temporary advance of Rs.5,000/- to the Mysore Silk Filature.

In continuation of my letter No.3401 dated 2/4th April 1926 re. the affairs of the Filature, I have the honour to submit the following:

2. We have at present 13 bales of silk comprising 1,430 lbs. with our Agents in France, who have requested permission to sell them at about 285/290 Francs per Kilo. In my letter No.3323 dated 27-3-1926 I have recommended that they may be authorised to do so, as getting the bales back is not to be thought of, and nothing is to be gained by postponing sales. I am afraid that ~~XXXX~~ the sale may result in a loss of about Rs.7,000/-, but this loss cannot be avoided, and is incidental to --- transactions with an uncertain market. It is impossible to say whether the market may improve; but the silk will probably deteriorate. If the necessary instructions are cabled to Messrs.Chabrieres Morel and Co, it is probable that about Rs.20,000/- will be released in a month or a month and a half.

3. The unsold stock is as follows:-

(a) 13/15- 380 lbs. I am convinced that this silk can be sold in India if converted into organzine and tram of the kind in local demand. This would involve some expenditure, which however, could be more than recouped by the better prices. Some of this silk has been entrusted to Mr.G.Subba Rao of Closepet to be tried on the market.

(b) 28/30 & 30/32 - 440 lbs. This silk can be sold in Northern India. have entrusted part of it to Mr.G.Subba Rao of Closepet for being sold or commission on our behalf. On hearing from him, the rest of the tock will also be sent. I expect that the disposals may be effected i bout a month.

(c) 40/45 and 45/55 - 170 lbs As above.

(d) Miscellaneous sizes - 215 lbs. As above.

It will be seen that for the larger sizes - such as those we have en reeling for sometime past and mean to reel in future, there is an dian demand, the exact details of which will have to be ascertained. It would be safe to say that with proper action, permanent business

relations

relations could be established such as would ensure continuity of work on forward orders. Such a development would be an enduring benefit to the industry as a whole. I have entrusted altogether 365 lbs. of silk of various sizes to Mr.C.Subba Rao, on the joint bond of himself and of Mr.Kare Muddu Narasimhaiya Shetty, another rich and influential silk merchant of Closepet, for being sold on commission, and they have promised to introduce the goods in the principal centres of Northern India, and to let me have the benefit of their experience. Their report will furnish good preliminary ground on which a scheme of furth action could be based.

5. The cost of production in the Filature is being steadily reduc as the following statement will indicate:-

Quarter ending 31-12-24.	Rs.19/- per lb.	13/15 sold to Sri Krishna-rajendra Mills @ Rs.19-8- per lb.
Half year ending 30-6-25.	Rs.18/-	13/15 (all in France).
31-12-25.	Rs.15/- [illegible].	On hand; proposed to be twisted and sold.
	Rs.13/8 for 28/30.	Sold at 13-10-0 & 13-12-0
January and February 1926.	13/4 for 28/30.	On hand.
	Rs.12/8 for 45/55.	Some sold for Rs.13-8-0.

The cost will be furtner reduced if possible.

The silk produced is high grade, fit for use in Northern Indian Manufactures.

6. In this connection, I may be permitted to add that the informat called for in Revenue Secretary's D.O.letter No.I.C.3498/Seri.2-25-8 dated 21st November 1925 to the Offg.Director of Agriculture was --- furnished by me to you on 18-12-25, and that delay in the transmissic of it to Government seems to have led to the impression that I had -- omitted to report at all. I enclose a copy of my report for ready reference. I have also been submitting frequent reports keeping you fully posted about the affairs of the Filature.

7. I reported to you on 2nd March 1926 that the State of the Filature finances was such that the concern could continue to work only for a week, and requested for a temporary advance of Rs.5,000/-; on the 11th I sent a telegram - "Expedite temporary filature advance,

advance, otherwise work will have to stop from Monday"; on the 24th I sent another telegram "Regret compelled to close Filature owing want capital pray expedite temporary advance". This will indicate that I strained every nerve to keep the concern going, and kept you fully --- informed of the state of things here.

8. It would be most unfortunate from all points of view if the Filature were to continue closed down. It would take the heart out of people interested in the industry in the State, and particularly in the Mysore District which is the premier silk producing District; and it would put our work in this line further back than it was when we ---- started the Filature. I beg to state that the concern has been fulfilling its object, and that considering its size, and the circumstance that it had sometimes to participate in experimental and educative work, it cannot be regarded as having entailed any great net expenditure to Government. It is exercising a profound influence on the --- industry as a whole by opening out for it new markets and widening its outlook and possibilities.

9. The shortage of capital which has compelled cessation of work is in its nature temporary, and will be terminated by any one of several events which must surely happen shortly, such as the sale of silk in France, and the realisation of our outstandings. I beg that ---- Government may be moved to kindly sanction an advance of Rs.5,000/- to enable work to be restarted, at a very early date.

Note in reply to the Revenue Secretary's D.O.No.I.C.3498/Seri.2-25-8 dated 21-11-25 to the Director of Agriculture in Mysore.

---

(1) The last consignment of silk has not yet been sold in France.

(2) The cost of production of silk depends to a very large extent on the price of cocoons. The present cost of production (December 1925) is

(i) 13/15 silk (I suppose this is the "fine" size referred to in the Revenue Secretary's letter- cost of production per lb.

	Rs.	a.	p.
15 lbs. of cocoons at 0-10-0 per lb.	9	6	0
Cost of reeling	6	0	0
	15	6	0

Deduct value of 2/5 of waste
@ 2/- per lb. Rs. 1- 5- 4.

14- 0- 8

(ii) 28/30 silk.

Cocoons	9- 6- 0
Cost of reeling	5- 8- 0
	14-14- 0
Deduct cost of waste	1- 5- 4
	13- 9- 8

Does not include interest and depreciation.

These figures may be kept confidential and not published. I should certainly have ~~XX~~ sold the Filature silk at great profit in Northern India if I had been permitted to go there for seeking markets. As it is I am selling 28/30 Silk to Mr. Silva at Rs.13/12 per lb.

(3) The suggestions and observations in the rest of the letter have been noted for guidance.

My sole difficulty has been that I have been prevented from finding ~~XX~~ a market for my silk in India. Mr. Silva, fortunately for himself, has not been handicapped by any such difficulty.

"Copies"

Offg. Director of Agriculture.

Read correspondence
ending with letter
Roc. 214 Ex. 34 dated
the Director of Agri.
regarding the
of the Supdt. of
sanction for grant
a temporary advance
Rs. 5'000/- to
Cuttack Filaria Sch. Res
Order Thereon No.
as the whole
Capital of Cuttack
practically vested in
Order No. 7352
Govt. are pleas

increase in temporary

loans upto Rs. 3.000/- to

~~Govt. Text Relief~~
~~Report, subject to~~ the District Underwriters

~~investment before the~~
that this advance, together

~~of June 1926, also~~
temporary

in the ~~powers~~ advances

by the Govt
~~previously sanctioned to~~

e Concern is fully

~~joined~~ before the end of June 1926.

RR
25/4.

Agri. Secy

MD 22/4

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read -

Correspondence ending with letter No.919 I.A.D. dated 17th May 1926 from the Comptroller to Government submitting his final remarks on the audit report of the Government Silk Filature for the half year ending 30th June 1925.

2. Correspondence ending with letter No.138/I.A.D dated 10th August 1926 from the Comptroller to Government submitting his final remarks on the marginally noted audit reports of the Filature.

i. For the half year ending 31st December 1925.
ii. Special report for the period ending 31st March 1926.

*****

Order No. Dc 2030-1/Sec 53-21-26

Dated, Bangalore, 21st September 1926.

Recorded.

2. Stock Register - At present, there is no proper register maintained at the Filature now to show the total quantity of silk and waste produced, the drians under each head and the net weights. Government direct that a register in the accompanying form (Annexure) be opened at once and maintained.

3. Purchase of cocoons - Very large sums of money are expended in the purchase of cocoons, and it is reported that there is occasionally a large disparity in the prices paid for cocoons as between one locality and another and for different purchases in the same locality. Government consider it desirable that the Superintendent of Sericulture should fix prices for the several qualities of cocoons, from time to time, for

for purposes of general guidance and comparison. Where there is considerable difference between this normal rate and the rate actually paid in any case, the Superintendent should record a brief note explaining the reasons for such disparity.

Under the present procedure adopted for the purchase and transport of cocoons to the Filature, there appears to be no guarantee against leakage and loss. In one instance, it is noticed that against a purchase of 1,136 lbs., the quantity actually received at the Filature was only 491 lbs. There is no adequate explanation furnished for such a heavy shortage. It is necessary to investigate the question of driages and to fix, with some degree of certainity, the percentage of loss that may be allowed, in regard to the several classes of cocoons usually purchased for the Filature. Necessary action should be taken in this respect, by the Superintendent so as to prevent abnormal differences as between the quantities purchased and those actually received at the Filature. The abnormal reduction in this case to less than half should be explained at once.

4. Sundry debtors - The Director is requested to arrange for the immediate recovery of all the outstandings. As regards the sum of Rs.1,601-8-0 due from the Reeling Superintendent, the Superintendent of Sericulture states that the bill could be prepared only after ascertaining the actual percentage of driage of the cocoons purchased during the half year. Government consider that it is quite necessary that bills should be prepared as soon as they supplies are made, or services rendered, by the Filature. It should be possible to fix the rates with fair accuracy, on the data available at the time, or with reference to the actuals of previous periods.

5. Defects and irregularities in accounts. - (a) Amounts received in the office on account of sales are not promptly brought into account;

(1) Sale proceeds received by the Superintendent

from time to time are passed on by him t the clerk (Store-keeper) but they are brought to account by the latter long after, and at his own convenience.

(c) Large sums of/ money are drawn from the Treasury when they are not required and unspent moneys are not promptly recredited to the Treasury.

These are serious irregularities and should not be allowed to continue. It is noticed that the senior Sericultural Inspector has not noted in the statement of account that a sum of Rs.100/-, out of Rs.1,000/- drawn by him in August 1935, was advanced to one Siddappa; but there was no voucher or payee's acknowledgment in support of the same. Permitting subordinate officers to charge off payments in their accounts without insisting on the payee's receipts is irregular.

6. Disbursement of salaries and wages. - Thumb impressions of illiterate payees should invariably be taken and the entry of the dates of payment should be insisted upon.

7. Purchase of petty stores. Claims on account of petty purchases of a contingent nature should not be allowed to fall into arrears. It is not clear why such purchases should not be made for cash payment. It is necessary that vouchers should be attested by the Superintendent of Sericulture himself as they pertain to items charged off in his own cash book.

8. Absence of certain essential books and records. - The Comptroller reports that the following important books viz.,

i. Counterfoil cash receipt book,

ii. Sales Day Book and

iii. Invoices for cash and credit sales,

have not been maintained and that audit is very much handicapped in consequence. The Superintendent should be instructed to open these books at once and get the required number of books printed early.

The counterfoil cash receipt books should be in printed form with machine numbered pages.

As regards invoices for sales, they should be filed chronologically, to facilitate audit.

9. Unsanctioned expenditure. - It is noticed that beside the regular establishment sanctioned for operation at the Filatur an additional gang of men, paid on daily wages, was maintained fo splitting wood. If a regular and continuous establishment, irrespective of the quantity of fuel handled, was necessary, the requirements should have been foreseen and proper sanction should have been obtained for engaging the additional establishment. The expenditure incurred in this connection is, however, sanctioned as a special case with the above ~~office observation~~.

It is also noticed that two of the office peons borne on the permanent establishment of the Filature were paid, in Januar 1925, in addition to their monthly pay, daily wages for four days @ 10 annas a day on ~~xx~~ a special nominal roll for stifling work. It may be pointed out to the Superintendent that this was irregul

10. Security from the Store-keeper. The cash transaction are reported to be dealt with by the Store-keeper, who is therefore frequently in charge of Government moneys. The Director is requested to take necessary steps for obtaining ~~xx~~ a suitable security from him, regard being had to the extent of cash which, on an average, is left with him on any single occasion. In this connection, the attention of the Director is drawn to the desirability of obtaining adequate security from all ministerial officers who handle Government cash at some stage or other. The action taken in this matter should be immediately reported for the information of Government.

11. Results of operations.

The Comptroller reports that the net loss on operations of the Filature from the commencement to the end of March 1926 ~~would~~ works out to about Rs.14,600/- excluding [illegible]

being the interest on the working capital, not charged in the accounts.

12. Miscellaneous -

[Para 1 (a) of the audit report for the half year ending 31st December 1925]. The sum of Rs.52/- under dispute need not be charged off as a loss, if the Superintendent has hopes of recovering the amount within a reasonable period of time.

13 The audit reports disclose a very unsatisfactory state of affairs in the matter of financial control of the operations of the Department. The Comptroller is requested to have the accounts audited again after an interval of about 6 mont

for Secretary to Government,
Medical and Agricultural Departments.

To

The Director of Agriculture in Mysore.
The Comptroller to Government.

ACR.7.

Annexure I.

Filature Log Register of Silk and Waste.

Month.	Quantity of silk produced as per day book.	Net weight after re-weighment.	Drier.		Issues during the month.		Initials of Filature Superintendent.
			Quantity	Percentage.	For sale.	For complete.	